

CALIFORNIA ENERGY COMMISSION

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WEBSITES

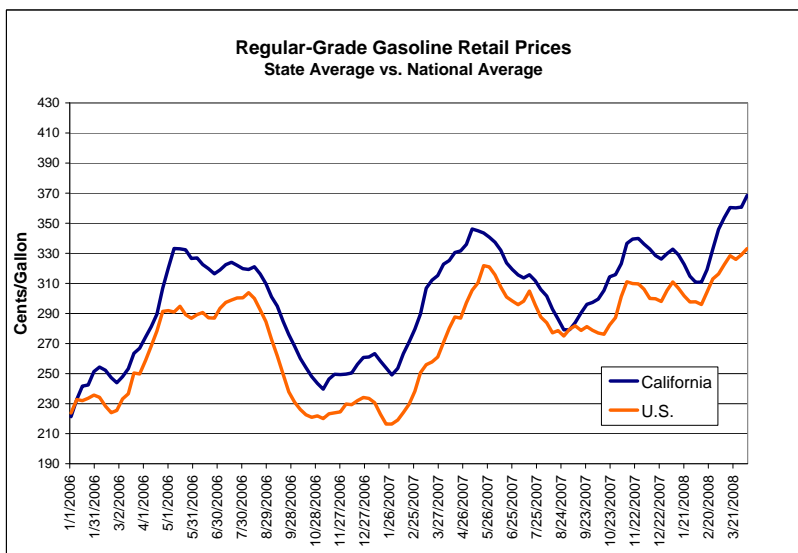
Main website: www.energy.ca.gov

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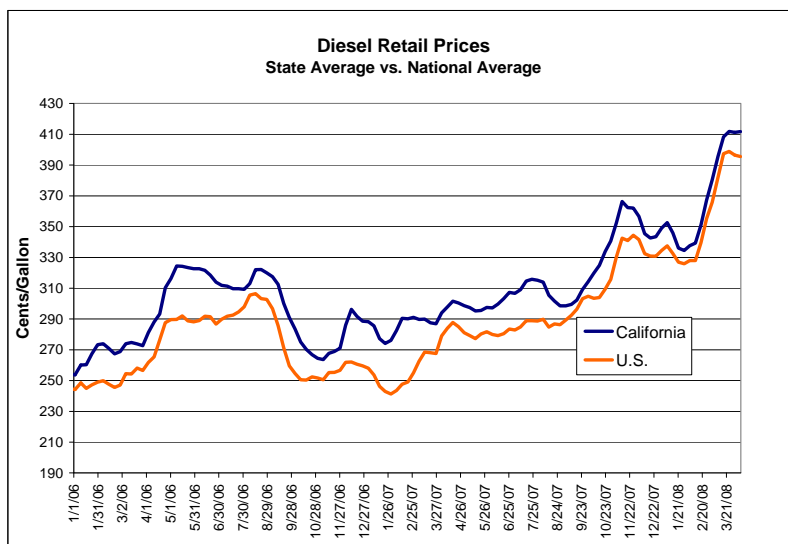
Consumer Information: www.ConsumerEnergyCenter.org

**Petroleum Watch****April 11, 2008*****Retail Gasoline and Diesel Prices on April 7***

- The average California **retail price for regular-grade gasoline** increased 8 cents from last week to a record high \$3.69 per gallon, 23 cents higher than a month ago and 43 cents per gallon higher than the same time last year.¹
- The difference between California and U.S. retail gasoline prices increased 5 cents from a month ago to 35 cents per gallon. U.S. gasoline prices are 17 cents per gallon higher than a month ago to \$3.33 per gallon and are 53 cents more than reported this time last year.



- The average California **retail diesel price** increased to \$4.12 per gallon, only a fraction of a cent less than the record high set two weeks ago. Prices have increased 32 cents from a month ago. Similarly, the U.S. retail diesel price set a record high two weeks ago at \$3.99, but has since slipped to \$3.96 per gallon, which is still an increase of 30 cents from a month ago. The difference between California and U.S. prices has increased by 1 cent over the same period to 16 cents per gallon.

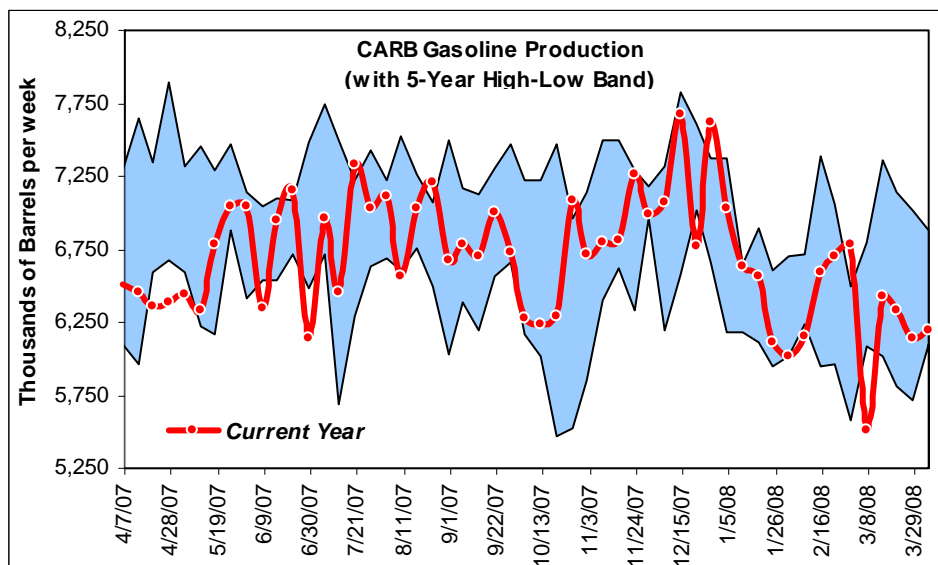


Wholesale Gasoline and Diesel Prices on April 8

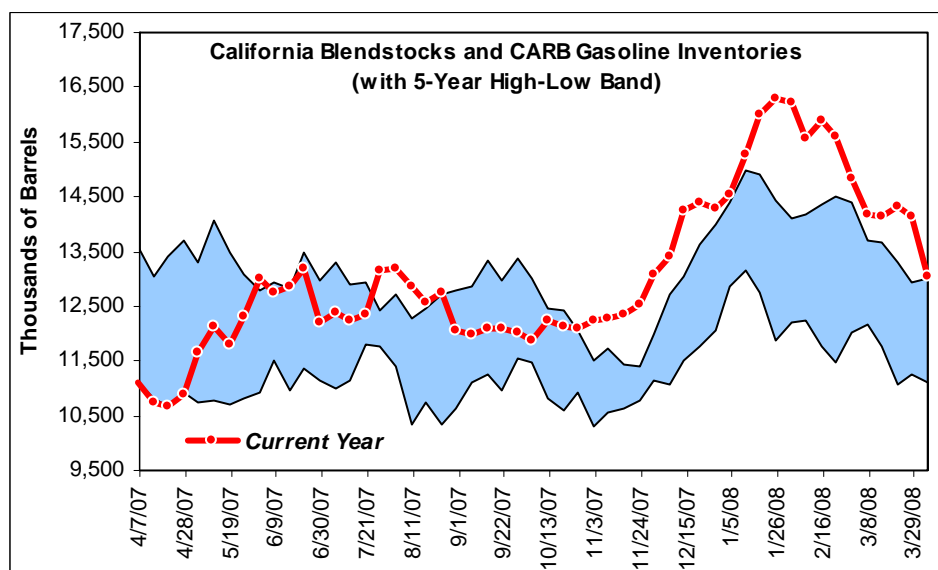
- Record high crude oil prices continue to put upward pressure on gasoline and diesel wholesale prices. Refinery outages and extended maintenance have also contributed to higher fuel prices.
- California spot wholesale gasoline prices for regular-grade reformulated blendstock for oxygenate blending (RBOB) set an all time high of \$3.05 on April 7 and settled at \$3.03 per gallon, 37 cents per gallon more than a month ago and 68 cents more than the same time last year.
- Spot prices for RBOB in Los Angeles are 28 cents per gallon more than New York Harbor and 14 cents more than the Gulf Coast, up from 29 cents and 21 cents, respectively, from a month ago.
- California spot **wholesale ultra low-sulfur diesel prices** have increased to \$3.36 per gallon, an all time high, 41 cents over the past month and are \$1.21 higher than the same day last year.
- California wholesale ultra low-sulfur diesel prices are 7 cents more than the Gulf Coast and 8 cent more than New York Harbor, the highest premiums since November. For the previous five months California diesel prices have fluctuated around levels more nearly equal to other regional diesel prices, rather than maintaining the larger, more typical premiums over other U.S. spot markets.
- California spot gasoline prices ended the reporting week at 34 cents less than California diesel, compared to 29 cents less than diesel a month ago.
- The Energy Information Administration's (EIA) weekly report for the week ending April 4 shows that **U.S. gasoline demand** decreased 0.5 percent and distillate demand increased 5.5 percent from the previous week. The four-week average demand for gasoline is 9.20 million barrels per day, 1.7 percent less than the four-week average at the same time last year. The four-week average for U.S. distillate demand is 4.32 million barrels per day, 1.7 percent less than the same period last year.

Refinery Production and Inventories

- **Reformulated gasoline production** in California for the week ending April 4 increased 0.8 percent from the previous week to 6.19 million barrels, remaining near the bottom of the five-year range and 4.9 percent lower than a year ago.ⁱⁱ

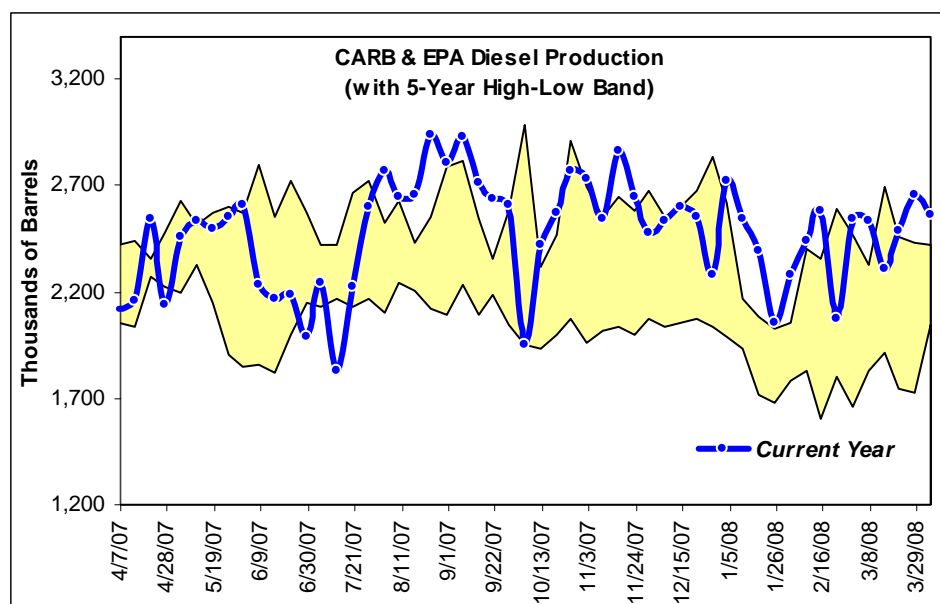


- California reformulated gasoline inventories declined by 12.8 percent last week while gasoline blendstock inventories decreased 3.4 percent. As a result, **combined inventories** of reformulated gasoline and gasoline blendstocks in the state **decreased by 7.8 percent** to 13.03 million barrels, but are still at the top of the five-year range.

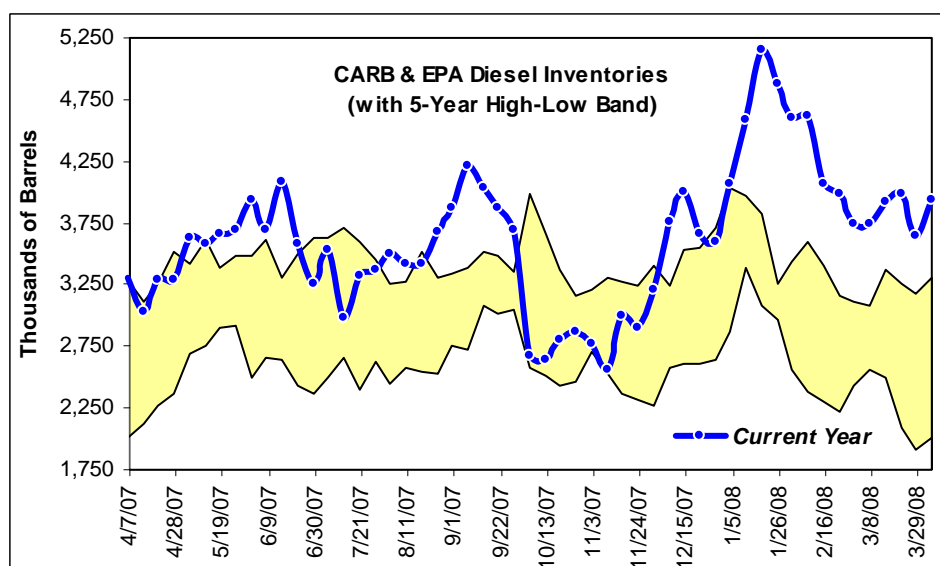


- U.S. gasoline inventories as of April 4 decreased to 221.3 million barrels, 3.4 million barrels less than the previous week. Inventories decreased on the East and West Coasts but increased on the Gulf Coast during the latest week.
- California **ultra low-sulfur diesel production** during the week ending on April 4, including both California diesel and U.S. Environmental Protection Agency (EPA)

diesel, decreased to 2.56 million barrels. This is 3.4 percent lower than the previous week but still above the five-year range.



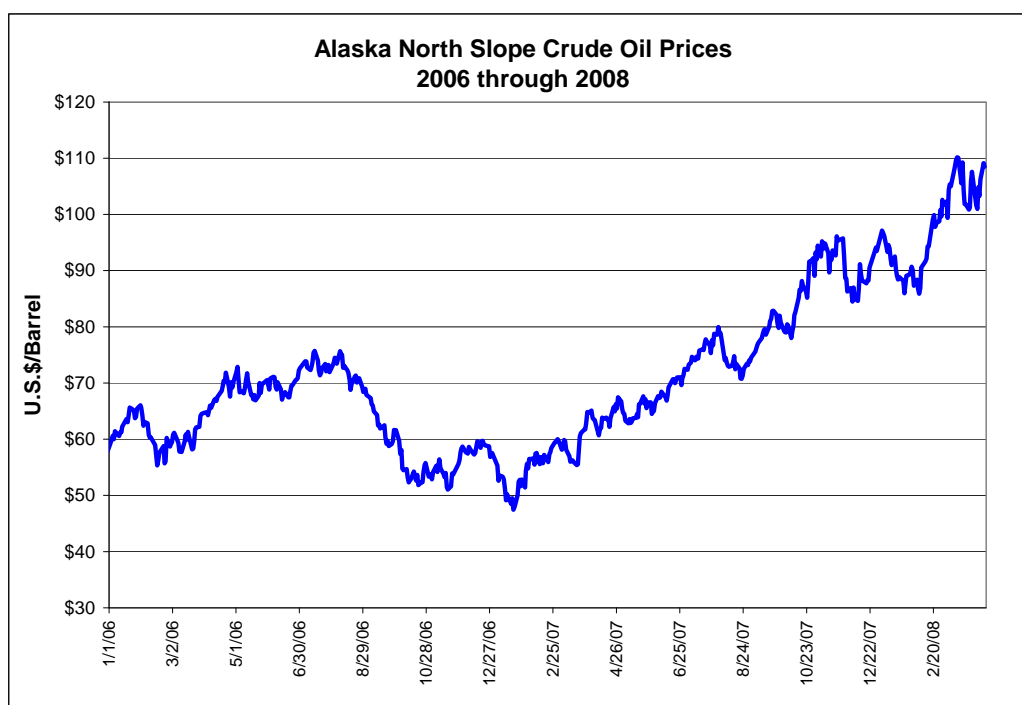
- Combined **ultra low-sulfur diesel inventories** in California increased 7.9 percent from the previous week to 3.94 million barrels, remaining well above the five-year range. Total U.S. distillate inventories as of April 4 fell to 106.0 million barrels, 3.7 million barrels less than the previous week. Inventories decreased on the East and West Coasts, but increased on the Gulf Coast.



Crude Oil Prices and Inventories

West Coast prices for Alaska North Slope (ANS) crude oil, an important refinery feedstock for California, have climbed \$6.50 per barrel over the past month to an all-time high of \$110.87 as of April 9.ⁱⁱⁱ Multiple factors such as a further weakening of the U.S. dollar against other currencies, a low federal funds rate, continued movement of

investment money into commodities such as energy and metals, and an unexpected drop in inventories in the latest week have helped pushed prices upward. The Bahamas Weather Conference recently predicted an above-average hurricane season between June 1 and November 30, 2008. Meanwhile, ongoing supply limitations from important oil producing countries such as Mexico, Nigeria, and Iraq and OPEC's refusal to raise production quotas have also contributed to rising prices. As a result of these various factors, the International Monetary fund and the Energy Information Administration have both recently substantially raised their 2008 oil price forecasts.



- U.S. commercial crude oil inventories as of April 4 fell by 3.1 million barrels from the previous week to 316.0 million barrels. Crude oil stocks are 17.4 million barrels less than this time last year but 2.9 million barrels higher than the five-year average. California crude oil stocks fell 8.2 percent from the previous week to 13.74 million barrels and are 10.2 percent less than last year.

ⁱ Spot wholesale and retail gasoline and diesel prices and U.S. crude oil and product inventory estimates are from the Energy Information Administration of the U.S. Department of Energy.

ⁱⁱ California refinery production and inventory information is from the Petroleum Industry Information Reporting Act (PIIRA) database maintained by the California Energy Commission.

ⁱⁱⁱ ANS crude oil prices are from *The Wall Street Journal*.